Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 06 JUL 2006

Message Text

PAGE 01 NATO 04819 01 OF 02 051215Z

46
ACTION EUR-08

INFO OCT-01 SS-14 ISO-00 EURE-00 ACDA-10 SAJ-01 NSC-05

NSCE-00 PM-03 SP-02 INR-05 CIAE-00 MC-01 L-01 EB-03

/054 W
---------- 109188
P R 051025Z SEP 75
FM USMISSION NATO
TO SECSTATE WASHDC PRIORITY 3369
SECDEF WASHDC PRIORITY
INFO ALL NATO CAPITALS 5457
USNMR SHAPE
USCINCEUR
USLOSACLANT
CINCLANT

C O N F I D E N T I A L SECTION 1 OF 2 USNATO 4819

LIMDIS

E.O. 11652: GDS
TAGS: MILI, MPOL, PFOR, NATO
SUBJ: EUROGROUP INITIATIVE ON COOPERATION IN ARMAMENTS

REF: A. USNATO 4556 DTG 281026Z AUG 75
B. STATE 200959 DTG 222356Z AUG 75
C. USNATO 4755 DTG 281815Z AUG 75
D. STATE 176498 DTG 252330Z JUL 75

SUMMARY: EUROGROUP SECRETARIAT JOHN LEDLIE MET WITH MISSION OFFICERS SEPT 3-4 AND PROVIDED STATUS OF EUROGROUP INITIATIVE ON COOPERATION IN ARMAMENTS PRODUCTION BASED ON WORKING GROUP MEETINGS SEPT 1-2. ON NOV 5, EUROGROUP MINISTERS WILL RECEIVE PRODUCT OF EUROGROUP STAFF WORK OVER PAST MONTHS IN FORM OF LARGE REPORT WHICH WILL REFLECT SOME DIVERGENT POSITIONS AMONG EUROGROUP MEMBERS. WE UNDERSTAND FROM FRG DELEGATION THAT THIS DIVERGENCE MAY BE CONSIDERABLE. LEDLIE WAS CONCERNED AT POSSIBLE DUPLICATION OF EFFORT BETWEEN EUROGROUP WORK AND US
CONFIDENTIAL

PAGE 02 NATO 04819 01 OF 02 051215Z

DESIRE FOR STANDARDIZATION EFFORTS UNDER NAC, BUT PROMISED TO KEEP US ADVISED TO MINIMIZE CONFLICT. END SUMMARY.

Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 06 JUL 2006

Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 06 JUL 2006

1. THE EUROGROUP WORKING GROUP ON COOPERATION IN DEFENSE PRO-
CUREMENT MET IN BRUSSELS SEPT 1-2. WORKING GROUP CONSISTED
OR REPRESENTATIVES FROM CAPITALS WHO DEAL IN EITHER DEFENSE
POLICY OR ARMAMENTS PRODUCTION AREAS. DISCUSSIONS CENTERED
ABOUT WIDE-RANGING DRAFT REPORT WHICH WILL GO TO EUROGROUP
MINISTERS ON NOV 5. ACCORDING TO LEDLIE, WORKING GROUP WILL
MEET AGAIN ON SEPT 26 IN HIGH LEVEL SESSION OF NATIONAL ARMA-
MENTS DIRECTORS AND POLICY ADVISORS TO CONSIDER: (A) NEXT
DRAFT OF REPORT; (B) REPLACEMENT SCHEDULES OF EUROPEAN
DEFENSE EQUIPMENT; AND (C) LIST OF CANDIDATE EUROPEAN EQUIP-
MENT TO OFFER THE US AND POSSIBLE COMPLEMENTARY LIST OF US
EUQIPMENT FOR EUROPEAN PURCHASE IN CONTEXT OF THE "TWO-WAY
STREET".

2. ACCORDING TO LEDLIE, INDIVIDUAL EUROGROUP NATIONS HAVE
BEEN RESPONSIBLE FOR DRAFTING INDIVIDUAL SECTIONS OF THE
REPORT, WHICH HE WILL NOW REFINE BASED ON SEPT 1-2 DISCUSSIONS.
REPORT IS HAPING UP IN THREE PARTS ALONG THE FOLLOWING LINES:
A. INTRODUCTION AND PERSPECTIVE.
B. BASIC ISSUES FOR DEVELOPMENT OF INTER-EUROPEAN AND
US/EUROPEAN COOPERATION IN DEFENSE PROCUREMENT. THIS SECTION
WILL INCLUDE DISCUSSION:
- ALTERNATIVE APPROACHES TO RATIONALIZATION/STANDARD-
IZATION SUCH AS CONCENTRATING ON COMMON MAJOR EQUIPMENT;
INTEROPERABILITY OF THIS EQUIPMENT; MORE COMMON PROCUREMENT
OF EQUIPMENT NOW IN SERVICE; GREATER COOPERATION FUTURE
EQUIPMENT; OR A COMBINATION OF THESE APPROACHES.
- EUROPEAN DEFENSE INDUSTRY CONSIDERATIONS WHICH
APPPLY TO NATIONS THAT ARE PRODUCERS, CONSUMERS OR THOSE IN
BETWEEN. THIS SECTION RECOGNIZES THAT INCREASING COSTS OF
NEW WEAPONS SYSTEMS, AND A LIMITED MARKET, CALL FOR MEASURES
LEADING TO GREATER RATIONALIZATION OF EUROPEAN DEFENSE
INDUSTRY, WHERE THE NEED FOR ADVANCED TECHNOLOGY IS AN
IMPORTANT FACTOR.
- NEED FOR A PROPER MECHANISM TO HANDLE COMPENSATION
FOR NATIONS IN SHIFTING FROM OR TO A CERTAIN AREA OF DEFENSE
PRODUCTION. THIS PROBABLY WOULD ENTAIL A MULTI-PROJECT
CONFIDENTIAL

PAGE 03 NATO 04819 01 OF 02 051215Z

APPROACH RATHER THAN LOOKING AT SPECIFIC ARMAMENTS IN
ISOLATION. LEDLIE NOTED THAT SOME EUROGROUP MEMBERS,
ESPECIALLY DUTCH DEFENSE MINISTER VREDELING, BELIEVE COM-
PENSATION SHOULD EXTEND INTO NON-MILITARY AREAS.
- EXPORTS OF ARMAMENTS TO NATIONS OUTSIDE THE
ALLIANCE.
- TWO-WAY STREET CONSIDERATIONS WHICH LEAD TO CON-
CLUSION THAT EUROGROUP SHOULD SEEK TO DIMINISH THE PRESENT
IMBALANCE IN FLOW OF DEFENSE EQUIPMENT BETWEEEN US AND EUROPE.
TWO-WAY STREET PLANNING WILL LIKELY INCOROPORATE TARGET
FIGURES FOR ARMAMENTS PURCHASED BY NORTH AMERICA ON THE ONE
HAND AND EUROPE ON THE OTHER.
-TRANSATLANTIC COOPERATION IN RESEARCH AND DEVELOP-

Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 06 JUL 2006

Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 06 JUL 2006

MENT WHICH WOULD CALL FOR LESS DUPLICATION AND MORE INTERDEPENDENCE.
THIS COOPERATION MIGHT BE ON A JOINT PROJECT BASIS OR SIMPLY
A MUTUAL EXCHANGE OF INFORMATION. COMMON FUNDING OF RESEARCH
AND DEVELOPMENT MIGHT BE APPROPRIATE IN SPECIAL CASES.
C. WAYS TO REALIZE PROGRESS. THIS SECTION WILL DISCUSS
POSSIBLE APPROACHES TO ADDRESS THE ISSUES SET FORTH ABOVE
SUCH AS:
- RATIONALIZE THE CNAD. LEDLIE NOTED THE FRG FAVORS
ACTION IN THIS AREA.
- CONTINUED WORK BY EURONAD'S, INCLUDING DEVELOPING
COMPREHENSIVE EQUIPMENT REPLACEMENT SCHEDULES.
-COMMITMENT TO ONE OOR MORE STANDARDIZATION APPROACHES
(I.E., CONCENTRATION ON COMMON MAJOR EQUIPMENT, INTEROPERA-
BILITY, MORE COMMON PROCUREMENT, FUTURE EQUIPMENT).
-DEVELOPMENT OF A RATIONAL EUROPEAN DEFENSE
INDUSTRY THROUGH A PHASED APPROACH OR THROUGH ONE-TIME
IMPLEMENTATION OF A COMMON PLAN.
-FORMATION OF A EUROPEAN DEFENSE PROCUREMENT AGENCY.
LEDLIE POINTED TO SEVERAL ORGANIZATIONAL PROBLEMS THAT WOULD
HAVE TO BE FACED SUCH AS FRENCH PARTICIPATION (AND POSSIBLE
CHANGE OF VENUE AWAY FROM EUROGROUP), AND RELATIONSHIPS TO
CNAD, NAC, AND DPC.

CONFIDENTIAL

PAGE 01 NATO 04819 02 OF 02 051224Z

46
ACTION EUR-08

INFO OCT-01 SS-14 ISO-00 EURE-00 ACDA-10 SAJ-01 NSC-05

NSCE-00 PM-03 SP-02 INR-05 CIAE-00 L-01 MC-01 EB-03

/054 W
---------- 109303
P R 051025Z SEP 75
FM USMISSION NATO
TO SECSTATE WASHDC PRIORITY 3370
SECDEF WASHDC PRIORITY
INFO ALL NATO CAPITALS 5458
USNMR SHAPE
USCINCEUR
USLOSACLANT
CINCLANT

C O N F I D E N T I A L SECTION 2 OF 2 USNATO 4819

LIMDIS

3. IN ADDITION TO THIS BASIC REPORT, WHICH WILL BE A LENGTHY
VOLUME REFLECTING SOME DIVERGENT NATIONAL POSITIONS, LEDLIE
STATED THAT EUROGROUP MINISTERS WILL HAVE OTHER PAPES TO

Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 06 JUL 2006

Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 06 JUL 2006

CONSIDER ON NOV 5 ON SAME GENERAL SUBECT. ONE OF THESE WILL
BE FIRST EFFORTS AT A DATA BASE COVERING EUROPEAN ECONOMIC
CONSIDERATIONS, MILITARY BALANCE OF PAYMENTS, AND A SURVEY OF
EUROPEAN DEFENSE INDUSTRIES. ANOTHER PAPER MIGHT DEAL EXTENSIVELY
WITH THE FRENCH QUESTION, WHICH IS ONLY BRIEFLY COVERED IN
BASIC REPORT.

4. LEDLIE ASKED ABOUT LATEST STATUS OF US STANDARDIZATION
INITIATIVE, OF WHICH HE WAS AWARE THROUGH UK DELEGATION. HE
HAD COPIES OF TALKING POINTS AND ATTACHMENT "US VIEWS ON
ESSENTIAL BASES FOR STANDARDIZATION" WHICH AMB BRUCE LEFT
WITH AMB PECK ON AUG 27 (PARA 7 REF A). WE DID NOT EXPAND
ON THIS INFORMATION BUT ASKED LEDLIE'S VIEWS ON EUROGROUP'S
RELATIONSHIP WITH PROPPOSED STEERING COMMITTEE UNDER NAC. LEDLIE
INDICATED THIS MIGHT BE A PROBLEM, AS MANY NATIONS WOULD BE
CONFIDENTIAL

WORKING SAME GENERAL ISSUES IN EUROGROUP AND MIGHT NOT CARE
TO "NATO-IZE" PROMISING EUROGROUP INITIATIVE. IN THIS CON-
NECTION, LEDLIE NOTED FRANCE'S ROLE IN THE STEERING COMMITTEE
WOULD BE DIFFICULT IF THAT COMMITTEE BECAME INVLVED CLOSELY
IN EUROGROUP'S WORK; YET THE STEERING COMMITTEE EVENTUALLY
WOULD HAVE TO TAKE THIS WORK INTO FULL ACCOUNT. WE EXPRESSED
HOPE THAT ANY PRINCIPLES FOR COOPERATION DEVELOPED BY STEERING
COMMITTEE FOR MINISTERIAL ENDORSEMENT WOUD BE CONSISTENT WITH
EUROGROUP'S PRINCIPLES. IF SO, WE SUGGESTED STEERING COMM-
ITTEE MIGHT PROVE TO BE A VALUABLE COMMON GROUND WHERE EUROGROUP,
NORTH AMERICA, AND FRANCE COULD COME TOGETHER TO ADVANCE STAN-
DARDIZATION WITHIN THE ALLIANCE. LEDLIE AGREED THIS MIGHT BE
POSSIBLE, BUT STILL SEEMED CONCERNED ABOUT DUPLICATION OF
EUROGROUP'S WORK.

5. LEDLIE ASKED ABOUT ROLE DEFENSE MINISTERS WOULD HAVE IN
PROJECTED MINISTERIAL ENDORSEMENT OF PRINCIPLES FOR COOPERA-
TION TO BE DEVELOPED BY STEERING COMMITTEE UNDER NAC. WE
INDICATED DEFENSE MINISTERS WOULD HAVE A HAND IN DEVELOPING
THESE PRINCIPLES, THROUGH NATO DELEGATIONS, BUT THAT FINAL
ENDORSEMENT WOULD BE AT NAC MINISTERIAL MEETING. LEDLIE
INDICATED THAT THIS MIGHT WORK ONCE, BUT HE SAW STRONG UK
RESISTANCE TO MOVING THIS DEFENSE WORK AWAY FROM DEFENSE
MINISTERS.

6. CONCERNING US/EUROGROUP INFORMAL DISCUSSIONS (PARA 9
REF B) LEDLIE ACCEPTED WORKING WITH USNATO AND PROMISED TO
KEEP US INFORMED OF EUROGROUP'S PROGRESS. HE WAS UNABLE AS
YET TO PROVIDE DATA ON EUROPEAN DEFENSE EUQIPMENT AND
SCHEDULE OR ERPLACEMENT BUT DID EXPECT THIS INFORMATION WOULD
BE AVAILABLE IN COMING MONTHS WHEN DATA IS MORE COMPLETE.

7. COMMENT: AS REPORTED PARA 8, REF C, FRG DEFENSE
ADVISOR BG SCHUNEMANN ALLOWED US ON AUG 28 TO LOOK AT A
DRAFT STATEMENT OF PRINCIPLES FOR STANDARDIZATION WHICH

Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 06 JUL 2006

Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 06 JUL 2006

EUROGROUP WORKING GROUP CONSIDERED ON SEPT 1-2. THESE PRINCIPLES WERE SIMILAR TO THOSE WE HAD PREPARED DRAWING ONPARAS 6A-H, REF D. ON SEPT 2, SCHUNEMANN CALLED DEPUTY DEFENSE ADVISOR BG SEIGLE WITH INFORMATION THAT SEVERAL NATIONS IN EUROGROUP WORKING GROUP MEETING WERE DETERMINED TO WATER PRINCIPLES DOWN OR ALTER THEM FOR THEIR OWN PURPOSES. CONFIDENTIAL

PAGE 03 NATO 04819 02 OF 02 051224Z

SCHUNEMANN NOTED THE UK IN PARTICULAR SEEMED INTENT ON SHAPING PRINCIPLE TO ACCOMMODATE UK'S DESIRE TO SELL EXISTING DEFENSE EQUIPMENT NOW RATHER THAN BUILD COOPERATIVE FRAME-WORK LEADING TO LONGER TERM PROGRESS IN STANDARDIZATION AND BETTER USE OF DEFENSE RESOURCES. ITALY AND THE NETHERLANDS ALSO SEEMED RELUCTANT TO ADDRESS SOME DIFFICULT ISSUES INVOLVING RATIONALIZATION OF DEFENSE INDUSTRIES. SCHUNEMANN FELT THAT THESE COUNTRIES DO NOT PLAN TO GIVE UP A THING. AS WE EXPECTED, LEDLIE GAVE A DIFFERENT SLANT AND ONLY REFERRED TO SOME VARYING VIEWS IN EUROGROUP. HE NOTED THAT THE UK WANTS TO MOVE AHEAD NOW, STARTTING WITH SALES TO THE US IF POSSIBLE, BUT THIS NEED NOT EXCLUDE PROGRESS ON THE LONGER TERM ISSUES. LEDLIE REMARKED THAT THE UK IS RELUCTANT TO SUBSCRIBE TO AS BINDING A SET OF PRINCIPLES IN EUROGROUP AS OTHER MEMBERS SEEM PREPARED TO DO. END COMMENT.BRUCE

CONFIDENTIAL

<< END OF DOCUMENT >>

Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 06 JUL 2006

Message Attributes

Automatic Decaptioning: Z
Capture Date: 18 AUG 1999
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: n/a
Control Number: n/a
Copy: SINGLE
Draft Date: 05 SEP 1975
Decaption Date: 28 MAY 2004
Decaption Note: 25 YEAR REVIEW
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: GolinoFR
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1975NATO04819
Document Source: ADS
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: 11652 GDS
Errors: n/a
Film Number: n/a
From: NATO
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1975/newtext/t197509102/abbrzltr.tel
Line Count: 244
Locator: TEXT ON-LINE
Office: n/a
Original Classification: CONFIDENTIAL
Original Handling Restrictions: LIMDIS
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 5
Previous Channel Indicators:
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: LIMDIS
Reference: A. USNATO 4556 DTG 281026Z AUG 75 B. STATE 200959 DTG 222356Z AUG 75 C. USNATO 4755 DTG 281815Z AUG 75 D. STATE 176498 DTG 252330Z JUL 75
Review Action: RELEASED, APPROVED
Review Authority: GolinoFR
Review Comment: n/a
Review Content Flags:
Review Date: 22 APR 2003
Review Event:
Review Exemptions: n/a
Review History: RELEASED <22 APR 2003 by BoyleJA>; APPROVED <23 APR 2003 by GolinoFR>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
06 JUL 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: EUROGROUP INITIATIVE ON COOPERATION IN ARMAMENTS
TAGS: MILI, MPOL, PFOR, NATO
To: STATE
SECDEF INFO ALL NATO CAPITALS
USNMR SHAPE
USCINCEUR
USLOSACLANT

Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 06 JUL 2006

CINCLANT
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 06 JUL 2006

Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 06 JUL 2006